

Canadian Evaluation Society - National Capital Chapter



Financial Statements For the year ended June 30, 2016



Canadian Evaluation Society - National Capital Chapter
Financial Statements
For the year ended June 30, 2016

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Independent Auditor's Report

To the Members of Canadian Evaluation Society - National Capital Chapter

We have audited the accompanying financial statements of Canadian Evaluation Society – National Capital Chapter, which comprise the statement of financial position as at June 30, 2016, and the statements of changes in net assets and operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Evaluation Society – National Capital Chapter as at June 30, 2016 and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
November 5, 2016
Ottawa, Ontario

Canadian Evaluation Society - National Capital Chapter Statement of Financial Position

June 30 2016 2015

Assets

Current

Cash and short term investments (Note 1)	\$	109,743	\$	119,371
Accounts receivable		4,360		13,955
Government remittances receivable		2,502		4,102
Due from Canadian Evaluation Society (Note 2)		1,525		3,732
Prepaid expenses		1,619		1,949
		119,749		143,109

\$ 119,749 **\$ 143,109**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	9,211	\$	12,236
Deferred revenue		240		-
		9,451		12,236

Net assets

Internally restricted net assets (Note 3)	35,000	35,000
Unrestricted net assets (Note 3)	75,298	95,873
	110,298	130,873

110,298 **130,873**

\$ 119,749 **\$ 143,109**

On behalf of the Board:

_____ Director

_____ Director

Canadian Evaluation Society - National Capital Chapter Statement of Operations and Changes in Net Assets

For the year ended June 30	2016 Budget	2016 Actual	2015 Actual
Revenue			
Chapter membership fee share	\$ 11,724	\$ 9,988	\$ 11,724
Course registration fees	61,512	48,395	83,807
National conference revenue share	-	-	46,746
Annual learning event	34,500	32,675	20,872
Interest income	450	406	455
	108,186	91,464	163,604
Expenditure			
Administration	21,725	18,400	31,345
Annual learning event	48,350	40,128	34,573
Breakfast sessions	8,000	8,392	5,439
Course expenses	59,640	41,679	62,318
Membership services	980	425	976
Website	5,060	3,015	2,295
	143,755	112,039	136,946
Excess (deficiency) of revenue over expenditures for the year	(35,569)	(20,575)	26,658
Net assets, beginning of year	130,873	130,873	104,215
Net assets, end of year	\$ 95,304	\$ 110,298	\$ 130,873

Canadian Evaluation Society - National Capital Chapter Statement of Cash Flows

For the year ended June 30	2016	2015
Cash flows from (used in) operating activities		
Excess (deficiency) of revenue over expenditures for the year	\$ (20,575)	\$ 26,658
Changes in non-cash working capital items		
Accounts receivable	9,595	6,423
Government remittances receivable	1,600	(979)
Due from Canadian Evaluation Society	2,207	(1,663)
Prepaid expenses	330	(1,172)
Accounts payable and accrued liabilities	(3,025)	(746)
Deferred revenue	240	-
	(9,628)	28,521
Increase (decrease) in cash during the year	(9,628)	28,521
Cash and short-term investments, beginning of year	119,371	90,850
Cash and short-term investments, end of year	\$ 109,743	\$ 119,371

Canadian Evaluation Society - National Capital Chapter

Summary of Significant Accounting Policies

June 30, 2016

Nature of Chapter	<p>The Canadian Evaluation Society - National Capital Chapter (the "Chapter") is unincorporated under Part II of the Canada Business Corporations Act and is dedicated to supporting the objectives of the Canadian Evaluation Society (the "Society") by operating a program of meetings, seminars, professional development and other activities for the members of the Society. The Chapter is a not-for-profit organization and as such qualifies for tax-exempt status.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO") which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.</p> <p>Significant estimates include assumptions used in estimating provisions for accrued liabilities.</p>
Financial Instruments	<p>Financial instruments are financial assets or liabilities of the Chapter where, in general, the Chapter has the right to receive cash or another financial asset from another party or the Chapter has the obligation to pay another party cash or other financial assets.</p> <p><u><i>Measurement of financial instruments</i></u></p> <p>The Chapter initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.</p> <p>The Chapter subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and other instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.</p> <p>Financial assets and liabilities measured at amortized cost include cash and short-term investments, accounts receivable, government remittances, amounts due from related parties and accounts payable and accrued liabilities.</p>

Canadian Evaluation Society - National Capital Chapter Summary of Significant Accounting Policies

June 30, 2016

Financial Instruments
(continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Chapter recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Financial Risk
Management**

The Chapter manages its investment portfolio according to its cash needs and in such a way to maximize investment income. The Chapter is not involved in any hedging relationships through its operations and does not hold or use any derivative investments for trading purposes.

Revenue Recognition

The Chapter follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Contributed Services

The Chapter is dependent on the voluntary services of its members. Because of the difficulty of determining the fair value of services contributed, they are not recognized in the financial statements.

Canadian Evaluation Society - National Capital Chapter Notes to Financial Statements

June 30, 2016

1. Cash and Short-Term Investments

The Chapter holds cash and short-term deposits at the Bank of Montreal and in trust at the Willow Group as follows:

	<u>2016</u>	<u>2015</u>
Cash in bank, Bank of Montreal	\$ 70,587	\$ 81,182
Cash in trust, the Willow Group	3,311	2,752
Cashable GIC, 1.15%, due September 27, 2017	<u>35,845</u>	<u>35,437</u>
	<u>\$ 109,743</u>	<u>\$ 119,371</u>

2. Related Party Transactions

The Society pays 16% of the membership fee collected to the local chapters. This amount is recorded in revenue as chapter membership fee share. Due from the Society includes \$1,966 (2015 - \$4,393) with respect to these transactions.

The Chapter receives payments for Society membership fees from course registrants and forwards these to the Society. At June 30, 2016, \$441 in fees were owing to the Society (2015 - \$661).

The Chapter pays the Society to assist in providing certain courses. During the year, fees were paid to the Society in the amount of \$2,680 (2015 - \$3,640) and are included course, conference and seminar expenses. At June 30, 2016, there were no fees owing to the Society included in accounts payable (2015 - \$300).

3. Restricted and Unrestricted Net Assets

The Chapter considers its capital to be its net assets retained. This consists of internally restricted net assets in the amount of \$35,000 (2015 - \$35,000) and unrestricted assets in the amount of \$75,298 (2015 - \$95,873). On October 5, 2011, the Board of Directors approved an increase to the Reserve to \$35,000. Unrestricted net assets consist of the accumulated balance of revenue in excess of expenditure of the Chapter since inception. The Chapter's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its services to its members.

Canadian Evaluation Society - National Capital Chapter

Notes to Financial Statements

June 30, 2016

4. Commitment

The Chapter has entered into a three year contract for management and professional development services commencing on October 1, 2015. Hourly rates are \$60 plus HST for administrative and event management services and \$22.50 per registrant for registration services.

The Chapter also has commitments of \$5,439 for banquet room costs in 2017 for upcoming courses.

5. Risks and Concentrations

The Chapter is exposed to various risks through its financial instruments. The following analysis provides a measure of the Chapter's risk exposure and concentrations as at June 30, 2016.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Chapter's main credit risk relates to its accounts receivable. The Chapter mitigates its exposure to credit loss by placing its cash with major financial institutions. The Chapter also routinely assesses the financial strength of its contributors and establishes an allowance for doubtful accounts based on credit risk applicable to particular contributors, historical and other information.

Liquidity risk

Liquidity risk is the risk that the Chapter will encounter difficulty in meeting obligations associated with financial liabilities. The Chapter is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate based on changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Chapter is exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Chapter is not exposed to currency exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Chapter is exposed to interest rate risk on its investments which accumulate interest at fixed rates.

Canadian Evaluation Society - National Capital Chapter Notes to Financial Statements

June 30, 2016

5. **Risks and Concentrations** (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Chapter is not exposed to significant other price risk.

Change in risk

There have been no significant changes in the Chapter's risk exposures from the 2015 fiscal year.
